

**BEFORE THE
FEDERAL MARITIME COMMISSION**

DOCKET NO. 15-04

CROCUS INVESTMENTS, LLC AND CROCUS, FZE

(Complainants)

v.

**MARINE TRANSPORT LOGISTICS, INC. AND
ALEKSANDR SOLOVYEV a/k/a ROYAL FINANCE GROUP INC.**

(Respondents)

**RESPONDENTS' PROPOSED FINDINGS OF FACTS, and RESPONSE TO
COMPLAINANTS' PROPOSED FINDINGS OF FACT**

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Respondents' Proposed Findings of Fact.

1. Respondent Solovyev, through his company Car Express, is an agent of MTL.

(*See* Complainants' Proposed Finding of Fact No. 20, *See* Dep. Tr. of Solovyev, at 37:24 – 38:16, 48:2 – 49:4; *See* Dep. Tr. of Alla Solovyeva, at 18:13-16; *See also* August 13, 2014 email from Solovyev to Complainants, with the signature block stating that "Car Express & Import, Inc., As an agent for Marine Transport", at Appendix CX 103).

2. World Express & Connection, Inc. is a warehouse, separate and independent from Marine Transport Logistics, Inc.

(*See* deposition testimony from Aleksandr Solovyev ("Solovyev"), at 19:2-3, and Alla Solovyeva, Dep. Tr. of Alla Solovyeva, at 15:9-16, Appendix CX 261-264).

3. Andrey Tretyakov, an employee at Middle East Asia Alfa, was the person responsible for booking shipments with MTL on behalf of Complainants.

(*See* Dep. Tr. of Solovyev, at 48:20 – 49:4, 51:16-19; Dep Tr. of Alla Solovyeva, at 24:14-16, 29:3-15, 46:16 – 47:9).

4. Complainants did not book the export shipment of the 2010 Formula Boat from U.S. to Jebel Ali, with MTL.

(*See* Dep. Tr. of Alexander Safonov, on behalf of Complainants, at 64:25 – 65:8).

5. Complainants did not pay ocean freight for the shipment of the 2010 Formula Boat.

(*See* Appendix CX 031 and Respondents' Proposed Findings of Fact No. 14 for the total paid by Complainants, which is not inclusive of the \$13,000 estimated ocean freight for the 2010 Formula Boat.)

6. The May 30, 2014 shipment from Dubai to U.S. of the 2008 Chaparral Boat and 2011 Monterey Boat, was performed by APL under APL B/L No. APLU020188407.

(*See* Appendix RX 05).

7. MTL is not a shipper on the APL B/L No. APLU020188407.

(*See* Appendix RX 05).

Respondents' Response to Complainants' Proposed Findings of Fact.

1. Alexander Safonov is the owner of Crocus, FZE and Crocus Investments, LLC.

Response:

Admit.

2. Alexander Safonov also owned Middle East Asia Alfa, FZC and employed Andrey Tretyakov.

Response:

Admit.

3. Aleksandr Solovyev is the owner of Royal Finance Group, Inc.

Response:

Admit.

4. Solovyev, through Royal Finance Group, Inc. issued invoices for shipping to Complainants.

Response:

Deny.

Royal Finance Group ("RFG") advanced payments on behalf of the foreign Complainants to Co-Part (a U.S. auction site), and to other companies (e.g. MTL, Car Express, inland trucking companies). This was done as a convenience to Complainants so that Complainants would only need to make a single "lump sum" wire-transfer payment to RFG and, accordingly, could avoid paying the fees associated with sending multiple wire transfers. In this way, Complainants would also avoid incurring penalties for late payment to the auction site, which could occur if there are delays with the foreign wire transfers. (*See* Dep. Tr. of Solovyev, at 45:17 – 47:25). RFG, in turn, charged a commission to Complainants for its services. (*See* Dep. Tr. of Solovyev, at 46:8-14).

5. Solovyev through Royal Finance Group, Inc. forwarded payments he had collected from Complainants for MTL's shipping services to MTL.

Response:

Admit.

6. Aleksandr Solovyev is the owner of World Express and Connection, Inc., the company which MTL alleges has current custody of Complainants' property.

Response:

Admit.

7. World Express and Connection, Inc. and MTL both have the same address at 63 New Hook Road, Bayonne, NJ 07002.

Response:

Admit in part. World Express & Connection ("WEC") and MTL are two of several businesses that are located at 63-69 New Hook Road, Bayonne, NJ 07002.

8. Aleksandr Solovyev is married to Alla Solovyeva who is the owner of MTL.

Response:

Admit in part. Solovyev and Solovyeva are currently separated, but not yet legally divorced.

9. Aleksandr Solvyev used the email address mtlworld@mtlworld.com.

Response:

Admit.

10. Alla Solovyeva uses the email address alla@mtlworld.com.

Response:

Admit.

11. Aleksandr Solovyev has been identified as the managing member of Marine Transport Logistic, Inc.

Response:

Deny.

Solovyev is not a managing member of MTL. Solovyev does not own MTL and is not employed by MTL. (*See* Dep. Tr. of Solovyev, at 35:7-15). Car Express & Import, Inc., a company owned by Solovyev, is an agent of MTL. (*See* Dep. Tr. of Solovyev, at 37:24 – 38:16, 48:2 – 49:4; *See* Dep. Tr. of Alla Solovyeva, at 18:13-16; *See also* August 13, 2014 email from Solovyev to Complainants, with the signature block stating that “Car Express & Import, Inc., As an agent for Marine Transport”, at Appendix CX 103).

Complainants refer to a LinkedIn Page (Appendix CX 016) wherein Solovyev lists his title as “general manager at Marine Transport Logistics.” LinkedIn is a professional networking site, and Solovyev exaggerated his involvement and importance with MTL as part of his online networking presence. But, this does not change the actual relationship between Car Express and MTL and Solovyev and MTL.

Complainants also refer to a “Vessel Bill of Sale” (Appendix CX 018) on which Aleksandr Solovyev is listed as “General Manager of Marine Transport Logistic [sp]”. It is believed that this document was generated unilaterally by Middle East Asia for purposes of clearing Jebel Ali Customs, without Solovyev’s input and consent, and the “Signature of Seller” is not that of Solovyev’s.

[Moreover, Complainants “obtained” the LinkedIn Page (Appendix CX 016) on July 29, 2015 and had the opportunity to question Solovyev concerning his LinkedIn profile and the Vessel Bill of Sale at his November 20, 2015, but Complainants elected not to ask any clarifying questions regarding the above two documents.]

12. Aleksandr Solovyev communicated on behalf of Marine Transport Logistics with the Complainants.

Response:

Admit in part. Car Express, as agent for MTL, communicated with MTL to obtain shipping quotes for Complainants. The final shipping instructions for the 2008 Chaparral Boat and 2011 Monterey Boat were given directly by Andrey Tretyakov of Middle East Asia to MTL. (*See* Dep. Tr. of Solovyev, at 51:16-19); (*See* Dep. Tr. of Solovyeva, at 46:18 – 47:9).

13. Marine Transport Logistic, Inc. permitted Aleksandr Solovyev to act on its behalf and hold himself out as its agent.

Response:

Admit in part. Car Express, a company owned by Solovyev, is an agent of MTL.

14. Complainants paid a total of \$99,739.00 for the purchase and shipment of three boats: 2008 Chaparral 190 SSI; 2011 Monterey 2014; and 2010 Formula 34PC.

Response:

Deny in part.

The total alleged to be paid by Complainants of \$99,739.00 is broken down as follows, and does not include payment for shipment of the 2010 Formula 34 PC ("2010 Formula Boat"):

- \$30,000 toward the purchase and loading/shipping of the 2008 Chaparral Boat and the purchase and loading/shipping of the 2011 Monterey Boat. (See Royal Finance Group Invoice # 1177AT in the amount of \$15,455 and Royal Finance Group Invoice # 1168AT in the amount of \$14,855; at Appendix CX 007 and CX 011). [Although the total of the two invoices is \$30,310; Respondent Solovyev confirms that the \$30,000 payment by Complainants was payment for Invoices # 1177AT and 1168AT.]
- \$59,780 toward the purchase and inland delivery *only* of the 2010 Formula Boat. (See Royal Finance Group Invoice # 1189AT, dated August 7, 2013, at Appendix CX 009, *See Also* the August 9, 2013 email from Respondent Solovyev to Complainants, at Appendix CX 020, attaching Royal Finance Group Invoice # 1189AT).
- \$4,950 toward the purchase of a boat trailer, for use in the anticipated shipping of the 2010 Formula Boat. (See Royal Finance Group Invoice # 1204 AS, dated December 3, 2013, at Appendix CX 010.)
- \$5,000 is believed to have been paid by Complainants toward the purchase of a boat trailer, for use in the shipping and delivery of an un-related Sea Ray Boat. [But the date and proof of this payment has not been provided by Complainants to enable Respondents to confirm.]

As calculated above, the total of \$99,730 (i.e., \$30,000 + \$59,780 + \$4,950 + \$5,000), is the sum alleged to have been paid by Complainants.

However, Royal Finance Group Invoice # 1204 AS, dated December 3, 2014, with the amount of \$13,000.00 for “Loading/Shipping to Dubai” of the 2010 Formula Boat, was never paid and Complainants do not allege that they paid it. (See Appendix CX 028-029). Had such payment been made, the total paid by Complaints would be \$112,730 (i.e., \$99,730 + \$13,000). This was not paid because of the commercial end of Complainants’ business in Jebel Ali and Complainants’ decision not to ship the 2010 Formula Boat to Jebel Ali; Complainants ultimately, in August 2014, decided to move the 2010 Formula Boat to Florida.

15. In May 2013 Solovyev purchased the two smaller boats, Chaparral and Monterey for the Complainants and was ordered to ship the boats to Dubai via Marine Transport Logistic, Inc.

Response:

Deny.

Car Express purchased the 2008 Chaparral Boat and 2011 Monterey Boat on or about April 2013. Car Express, as agent for MTL, also assisted Complainants with measuring the boats and trailers and putting together the loading requirements and freight quotes from MTL. Once the quotes were agreed to, Andrey Tretyakov provided MTL with the shipping instructions for the 2008 Chaparral Boat and 2011 Monterey Boat from NJ to Jebel Ali. (See Dep. Tr. of Solovyev, at 51:3-19).

16. Those boats were shipped by MTL and arrived in Dubai.

Response:

Admit.

However, it is significant that in the Verified May 27, 2015 Formal Complaint in this proceeding [Docket No. 15-04], Safonov subscribed and swore, under oath, that as of February 2014, “MTL still has not made any shipments of the boats” and “Complainants contacted MTL, and requested that MTL reroute the shipment of *all three boats* to Florida, USA” (emphasis added). See Formal Complaint, at ¶ 20. This fact takes on particular importance in that it raises a real question as to whether Complainants contacted MTL in February 2014, as alleged, especially since no February 2014 communication has been produced by Complainants to substantiate this allegation, despite two requests to produce made by Respondents.

17. On or about August 7, 2013 Solovyev purchased the larger boat, Formula, for Complainants and Complainants ordered the boat to be shipped to Dubai via Marine Transport Logistic, Inc.

Response:

Deny.

Car Express purchased the 2010 Formula Boat on request of Complainants in August 2013, and invoiced Complainants \$59,780 toward the purchase and inland delivery *only* of the 2010 Formula Boat. (See Royal Finance Group Invoice # 1189AT, dated August 7, 2013, at Appendix CX 009).

But, Complainants did not “[order] the boat to be shipped to Dubai via Marine Transport Logistics, Inc.” Although Complainant may have originally intended to ship the 2010 Formula Boat to Dubai and an initial freight quote was provided to Complainants by Respondents, the commercial end of Complainants’ business in Jebel Ali and Complainants’ decision not to ship the 2010 Formula Boat to Jebel Ali resulted in Complainants not booking the shipment of the 2010 Formula Boat from NJ to Jebel Ali with MTL; not communicating any shipping instructions to MTL; and, not making payment for the shipping of the 2010 Formula Boat. (See Dep. Tr. of Alexander Safonov, on behalf of Complainants, at 64:25 – 65:8).

18. Complainants paid for the purchase and shipping of the boat.

Response:

Deny.

Assuming that Complainants are referring to the 2010 Formula Boat, Complainants paid \$59,780 for the purchase and inland delivery of the 2010 Formula Boat. (See Royal Finance Group Invoice # 1189AT, dated August 7, 2013, at Appendix CX 009). Complainants did not pay the \$13,000 initial freight quote for the loading and shipping of the 2010 Formula Boat. (See Appendix CX 028-029.)

19. Complainants also were invoiced and paid for a trailer to ship the Formula via roll on/ roll off.

Response:

Admit.

20. Marine Transport Logistic, Inc. did not ship the larger boat to Dubai between August 2013 and December 2013 (six months).

Response:

Deny in part.

In November 2013, Solovyev located a trailer to be used for the anticipated shipping of the 2010 Formula Boat to Dubai, but Complainants rejected the trailer in November 2013 because “[Complainant] didn’t like that trailer.” (See Dep. Tr. of Safonov, at 64:13-19). A “good or proper trailer that [Complainants] think is suitable” was located by Solovyev in December 2013, but Complainants still had not given any shipping instructions or paid for shipping, because Complainants, allegedly, “decided [Complainants didn’t] want to deal with [Tretyakov].” (See Dep. Tr. of Safonov, at 20-24; 64:25 – 65:8). The 2010 Formula Boat was, thus, “never shipped” by MTL because Complainants did not make a booking with MTL or pay for shipping; in other words, because Complainants *did not want* MTL to ship the 2010 Formula Boa to Dubai.

21. In December 2013, Solovyev on behalf of MTL contacted Safonov requesting a second payment for a trailer on which the larger boat was to be shipped roll on/roll off to Dubai.

Response:

Deny.

22. Safonov paid for a trailer for the Formula.

Response:

Admit.

23. Solovyev stopped communicating after receiving the second payment for the trailer until summer of 2014 (12 months passed since the purchase of the Formula.

Response:

Deny.

Deny that “Solovyev stopped communicating after receiving the second payment for the trailer until summer of 2014.” [In this Response, Respondents assume that “summer of 2014” refers to August 2014,

because Complainants frame their question as “12 months [having] passed since the purchase of the Formula”, which was made in August 2013.]

In particular, Safonov testified at deposition that in December 2013, Safonov and Solovyev “agreed and said we will deal with [the 2010 Formula Boat] after new year.” (*See* Dep. Tr. of Safonov, at 65:14-18). Safonov further alleges, although it has not been substantiated, that he sent a letter to Solovyev in February 2014, that letter has not been produced in discovery. (*See* Dep. Tr. of Safonov, at 65:9-13). Moreover, Safonov testified that in June 2014, he spoke with Solovyev by phone. (*See* Dep. Tr. of Safonov, at 68:3-10).

24. In August 2014, Safonov sent Solovyev a Demand Letter, requesting that Respondents immediately return his property.

Response:

Admit.

25. Respondents did not give Complainants notice of the storage fees until August 13, 2014, over a year after the Formula was purchased, and shipping to Dubai was paid by Complainants.

Response:

Deny.

Deny that “shipping to Dubai was paid by Complainants.” (*See* Response to Complainants Proposed Fact No. 18). Moreover, Tretyakov was informed of the storage by Solovyev. (*See* Dep. Tr. of Solovyev, at 64:16-24; 65:14-23).

26. In response to the Demand Letter, Solovyev issued an invoice for the storage of the Formula in the amount of \$39,409.39, charging for storage at the rate of \$9.60 per linear meter, equaling to \$105.31 per day.

Response:

Admit that upon receiving Complainants’ August 13, 2014 demand for the release of the 2010 Formula Boat, Royal Finance Group issued Invoice # 70C010, dated August 13, 2014 in the amount of \$39,409 for outstanding storage and unloading. (*See* Appendix CX 013.)

27. The storage fees in the invoice were contrary to Marine Transport Logistic, Inc.’s posted tariffs of \$20.00 per day.

Response:

Deny.

The storage of the 2008 Chaparral Boat, the 2011 Monterey Boat, and the 2010 Formula Boat was being done by World Express & Connection, Inc. The storage was not being performed by MTL, but rather by World Express. (See Appendix CX 261-266).

Additionally, MTL's posted tariff rate applies only to "boats received [by MTL] for US export shipment." (See Appendix CX 178).

The 2008 Chaparral Boat and 2011 Monterey Boat were received by MTL, as a consignee only, on a APL bill of lading on a Dubai to U.S. import shipment and were delivered to World Express for storage by Solovyev pending instructions from the shipper, Middle East, on the APL bill of lading. The 2010 Formula Boat was delivered to World Express, with the initial contemplation by Complainant that the 2010 Formula Boat would be exported to Dubai through MTL. However, after 369 days with no booking made and no shipping instructions, and with Complainants, ultimately, after 369 days deciding *not* to export the 2010 Formula Boat with MTL, the storage fees (charged by World Express) would not be subject in any event to MTL's posted tariff.

28. After receiving the invoice for storage, Safonov gave Solovyev notification that he refused to pay the exorbitant and conjured up fees and demands his property be returned.

Response:

Admit that Complainants refused to pay the outstanding storage charges.

29. While the two smaller boats were in Dubai, Complainants purchased parts and refurbished the boats to a marketable condition. (Proffered Testimony of Alexander Safonov).

Response:

Respondents neither admit nor deny this Proposed Finding of Fact. In this regard, Respondents have not been provided any documents during discovery to show that the boats were "refurbished to a marketable condition," and Complainants cite as support only to a non-specific photograph of a boat. (See Appendix CX 242).

30. On November 18, 2015, Solovyev through his company World Express & Connection, Inc. filed a lawsuit styled *World Express & Connection, Inc. v. Crocus Investments, LLC, Crocus FZE, Alexander Safonov, and Middle*

East Asia Alfa FZE, in the United States District Court, District of New Jersey under case number 2:15-cv-08126-KM-MAH claiming that Complainants owe the company \$115,259.51 in storage fees as a result of the transactions at issue.

Response:

Admit.

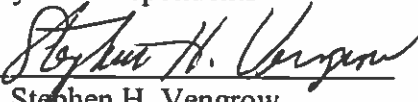
31. Marine Transport Logistic, Inc. produced copies of invoices during the discovery phase of this lawsuit that showed it paid World Express and Connection, Inc. for the storage of Complainants' boats.

Response:

Admit.

Dated: February 11, 2016

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